

Annual Results Presentation

Year Ended 30 June 2002



Wesfarmers

Presentation Outline

- Opening Comments - Michael Chaney
- 2002 Performance - Richard Goyder
- Divisional Comments
 - David Robb
 - Mark Allison
 - Bob Denby
 - Peter Davis
 - John Gillam
- Outlook for 2003 - Michael Chaney

Richard Goyder



Wesfarmers

Performance Summary

Year End 30 June (\$m)	2001	2002	↑%
Operating Revenue	4,389	7,386	68.3
Net Profit (before Goodwill)	261.4	493.3	88.7
Goodwill Amortisation	(10.4)	(79.3)	662.5
Net Profit (after Goodwill)	251.0	414.0	64.9
Earnings Per Share (before Goodwill) (cents)	96.2	138.2	43.7

2002 Performance Highlights

- Strong growth in Hardware
- Strong growth in coal earnings
- Satisfactory performance - Gas
- Synergy and scale benefits in Rural businesses
- Strong premium income growth – Insurance
- Strong growth on 2001 – Industrial Products
- Significantly improved Fertilisers and Chemicals result

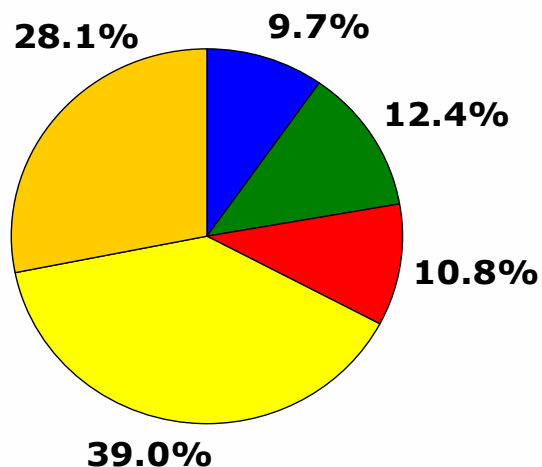
Profit on sale of non-current assets

After Tax (\$m)	Year Ended 30 June 2001	Year Ended 30 June 2002
Hardware	4.7	(0.1)
Energy	0.9	0.1
Rural Operations & Insurance	-	0.4
Industrial & Safety	-	0.8
Fertiliser & Chemicals	-	0.1
Other	12.5	8.6
	18.1	9.9

Divisional EBIT (before Goodwill Amortisation)

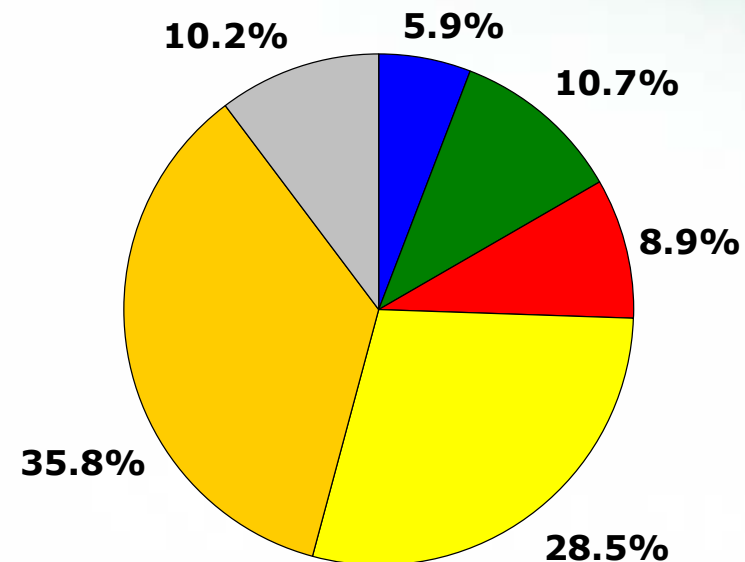
2000/2001

\$488 million



2001/2002

\$831 million



Divisional ROC & Cap Employed

Rolling 12 months

Year End 30 June (\$m)	EBIT	Capital Employed	ROC %	ROC %
			2002	2001
Hardware	250.5	1,841.4	13.6	23.9
Energy	236.5	845.7	28.0	24.4
Rural Operations & Insurance	80.1	494.1	16.2	15.5
Industrial & Safety *	61.7	708.5	8.7	-
Fertilisers and Chemicals	73.3	488.3	15.0	10.4

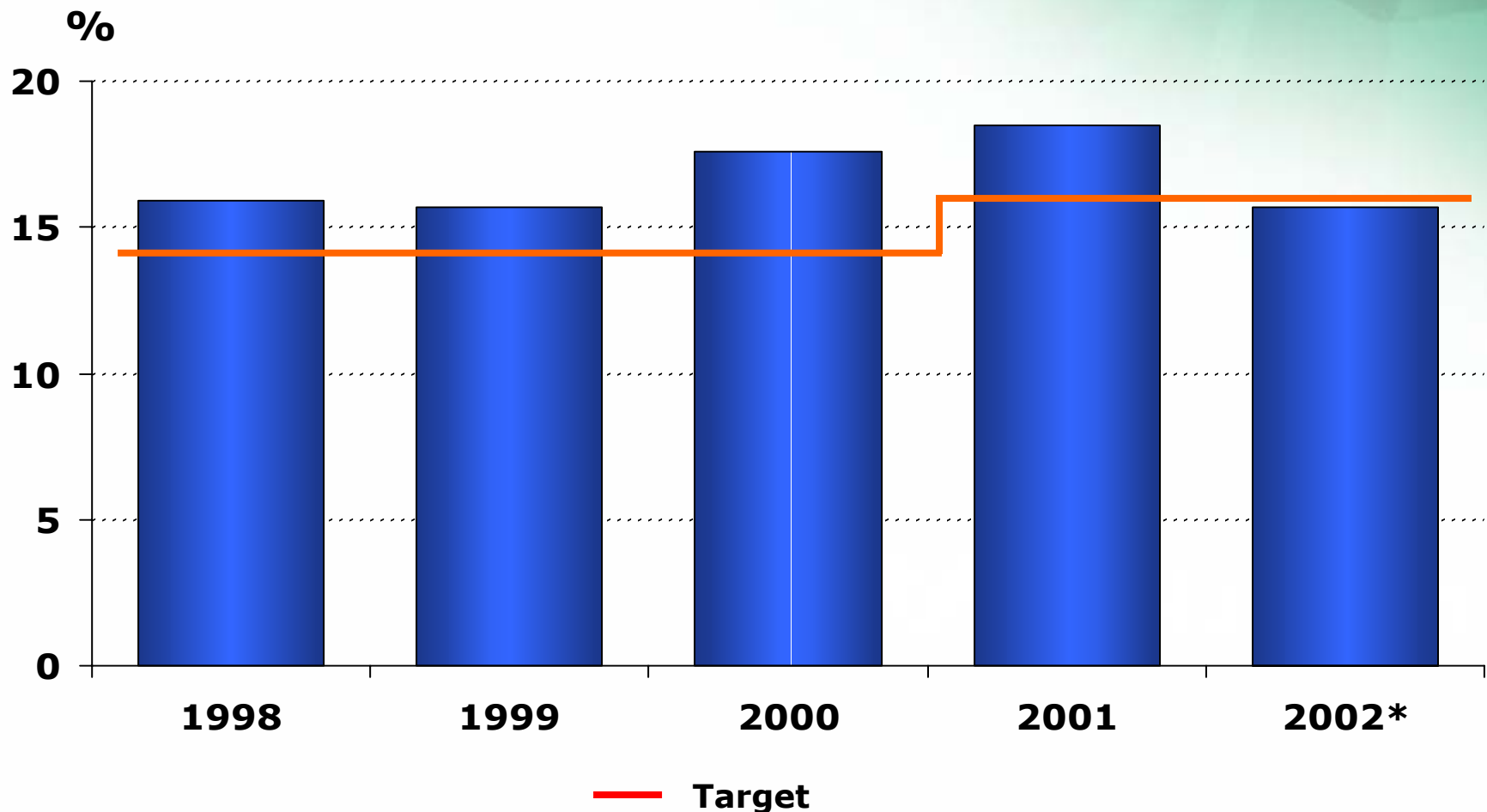
* For 11 months

Divisional ROC & Cap Employed Before Goodwill Amortisation Rolling 12 months

Year End 30 June (\$m)	EBITA	Capital Employed	ROC % 2002
Hardware	297.1	1,887.9	15.7
Energy	236.9	846.1	28.0
Rural Operations & Insurance	89.2	503.2	17.7
Industrial & Safety *	84.8	731.5	11.6
Fertilisers and Chemicals	73.5	488.6	15.0

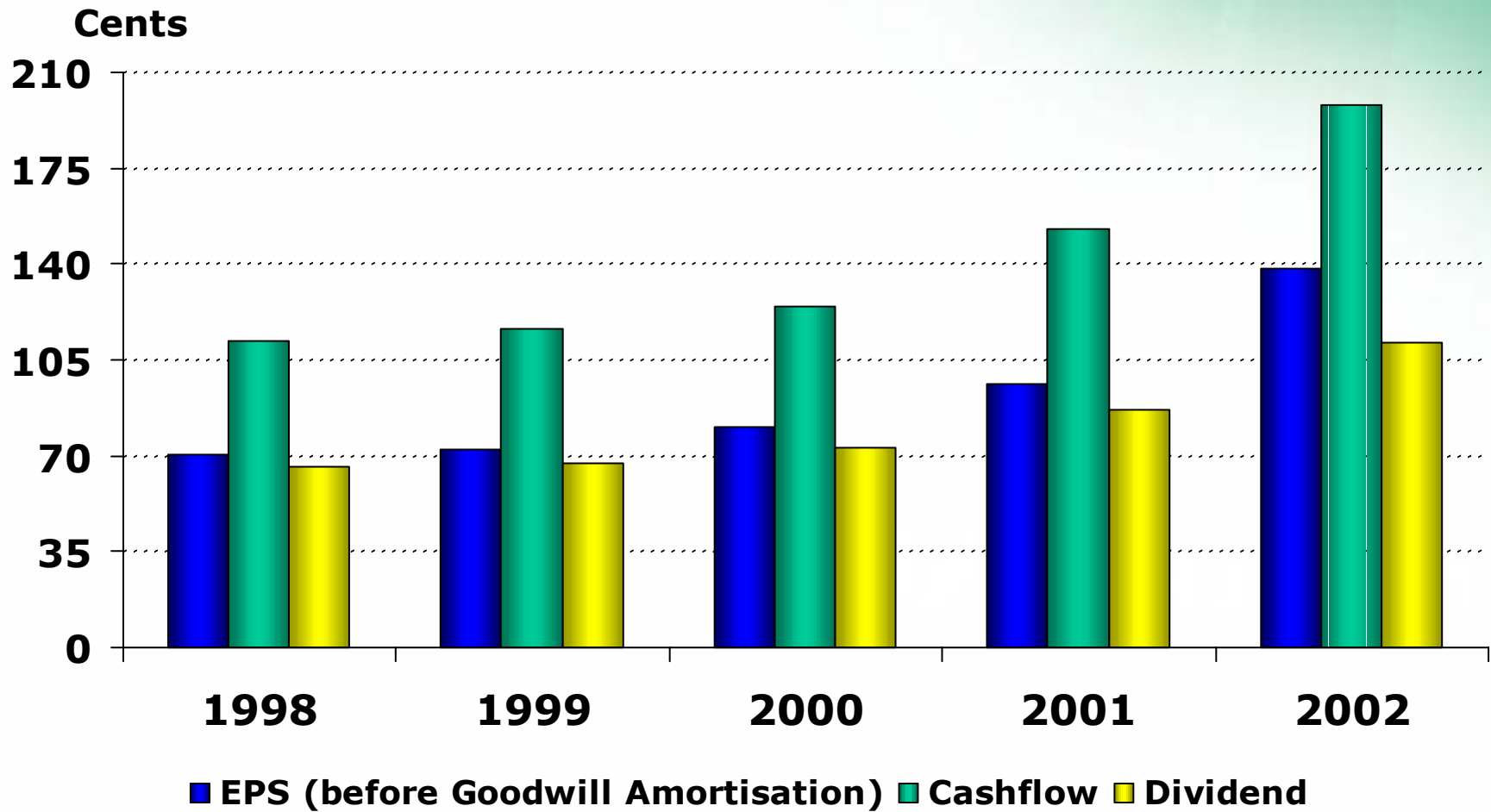
* For 11 months

Return on Shareholders' Funds (before Goodwill Amortisation)

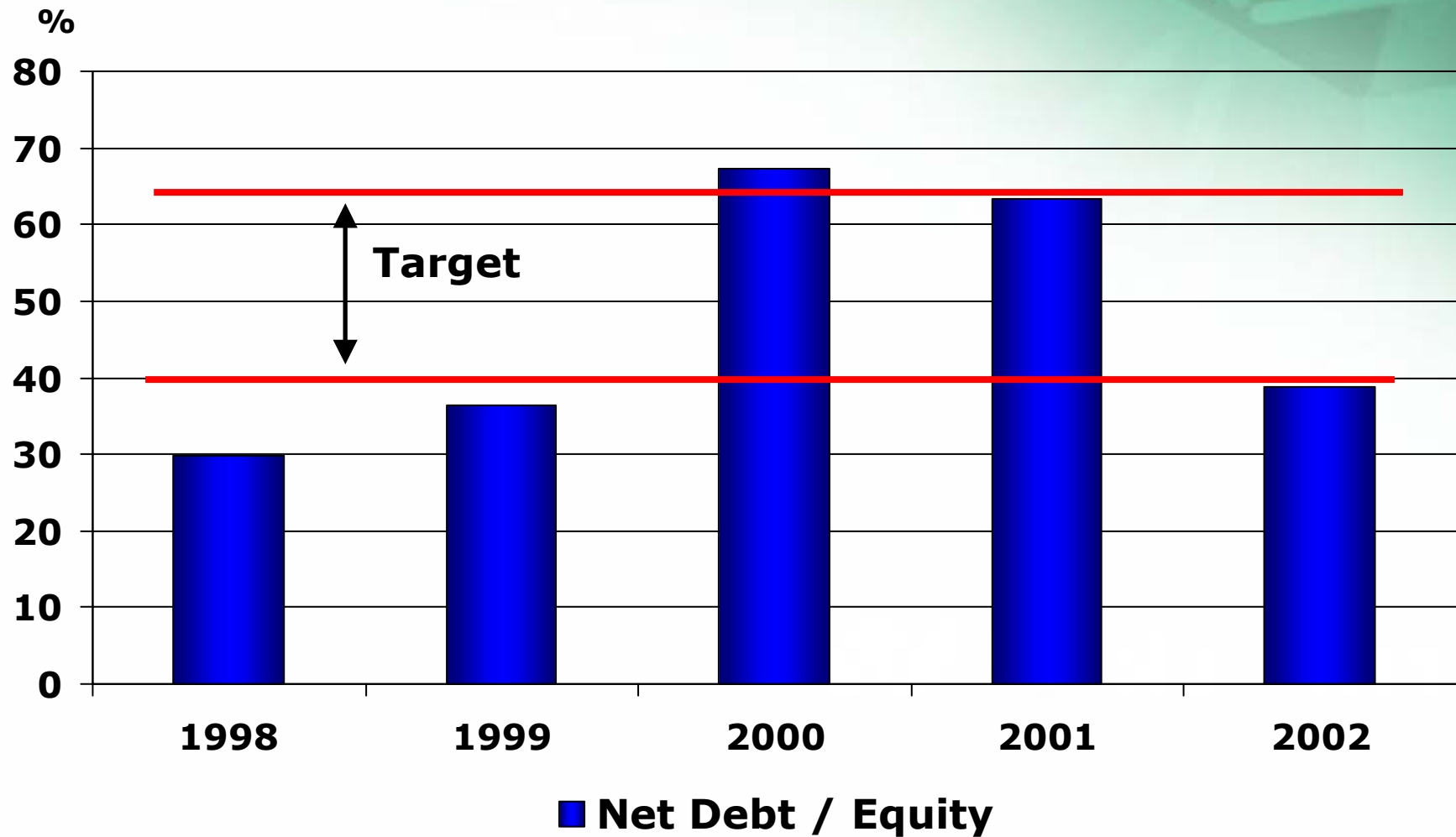


* Calculated on average monthly shareholders' funds to take into account the issue of shares

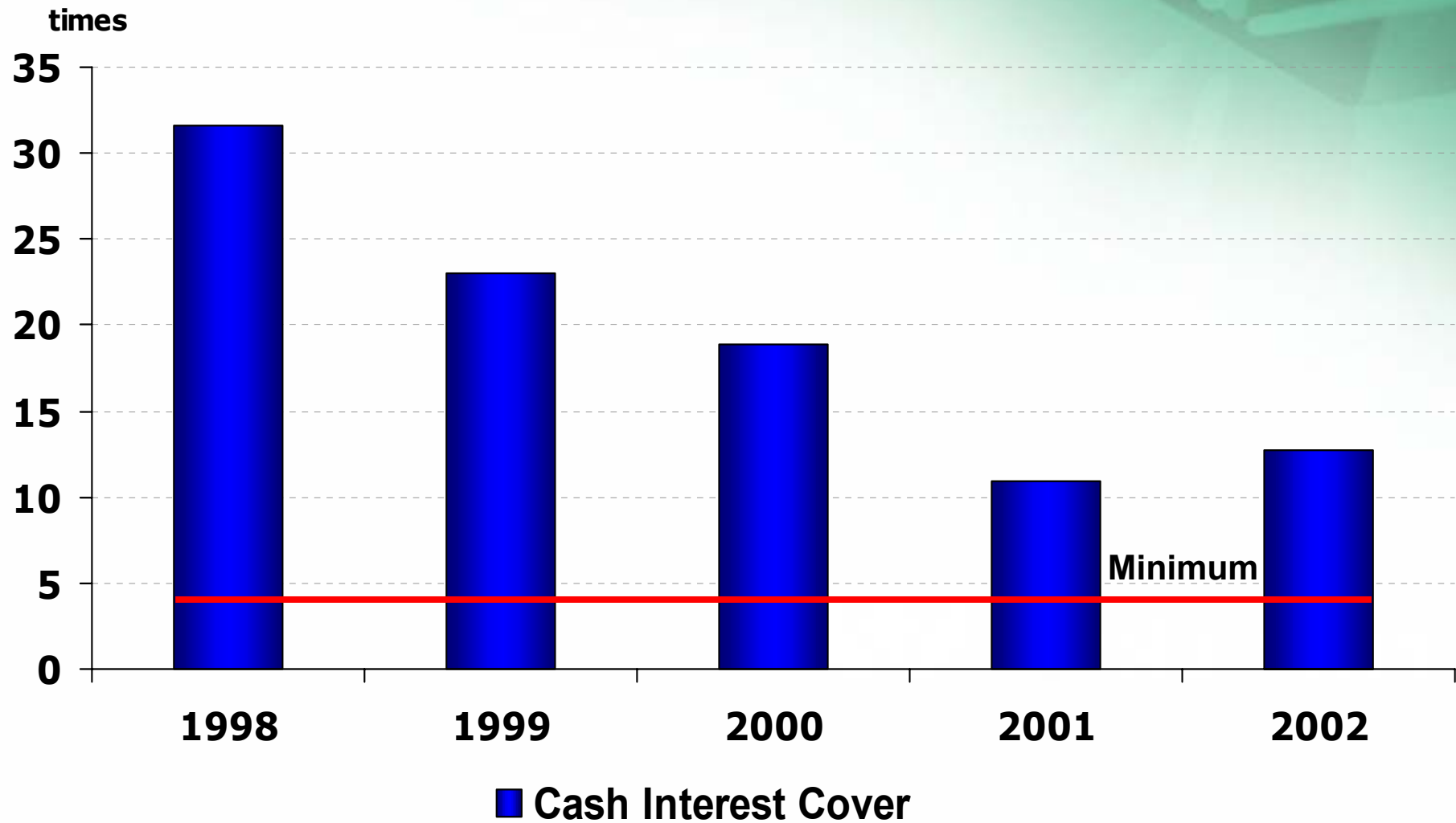
Cashflow & Dividend



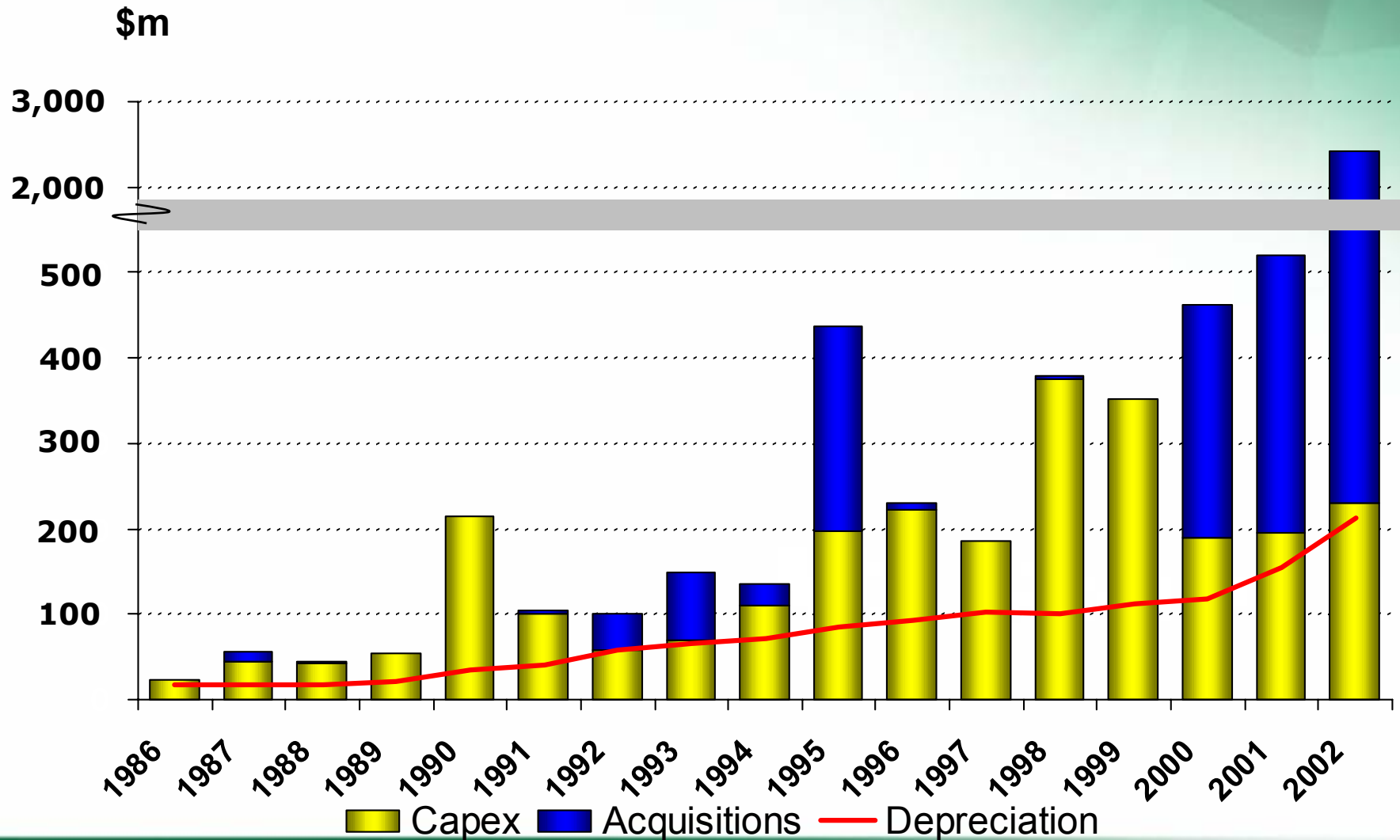
Net Debt/ Equity



Interest Cover



Capital Expenditure & Depreciation



Energy

David Robb



Wesfarmers

Wesfarmers Energy Limited



WESFARMERS LPG



STATEWEST POWER



Energy 2002 Environment

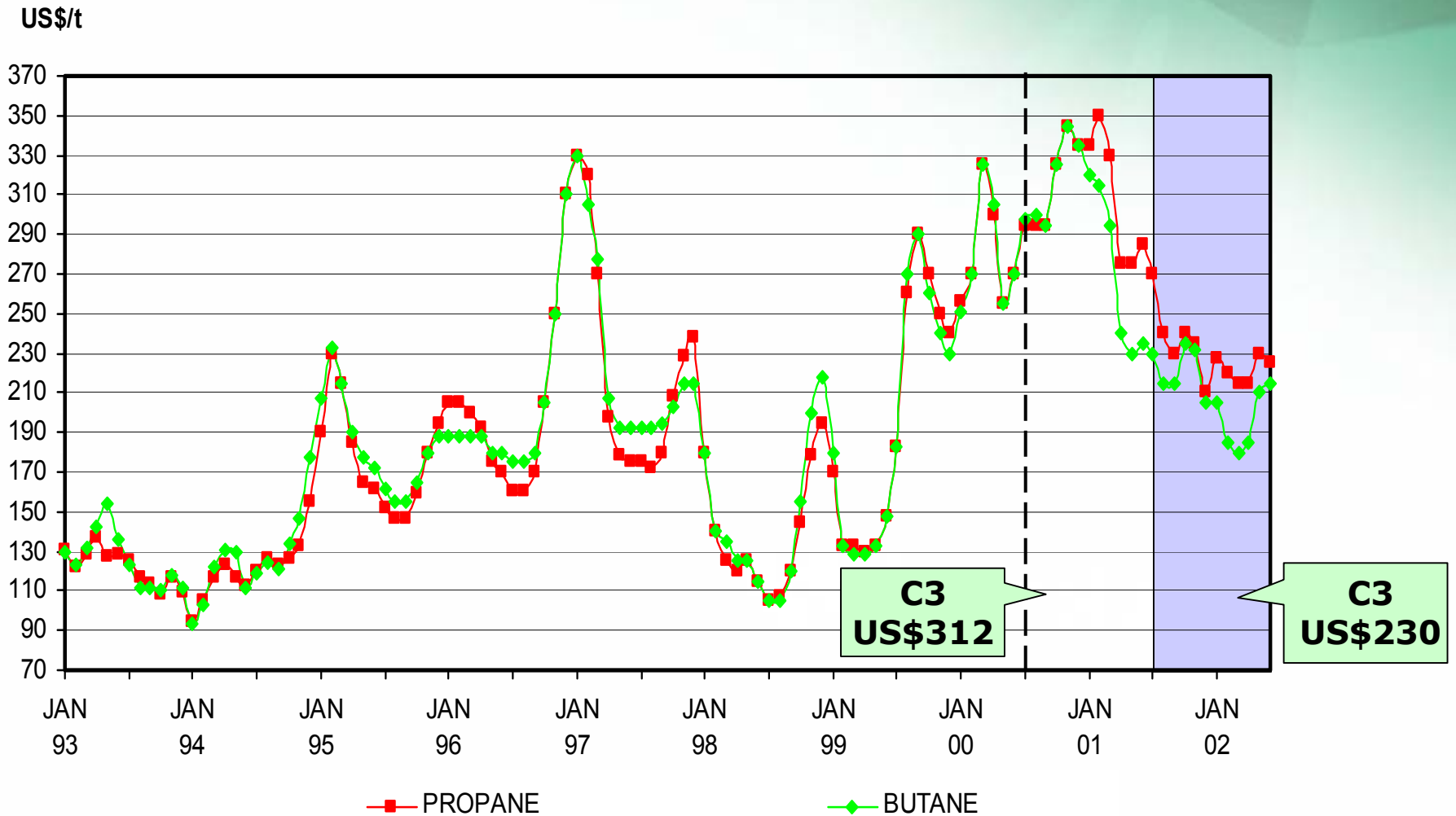
Gas

- International prices 25% lower
- Autogas demand down 10%+
- Industrial gases growth

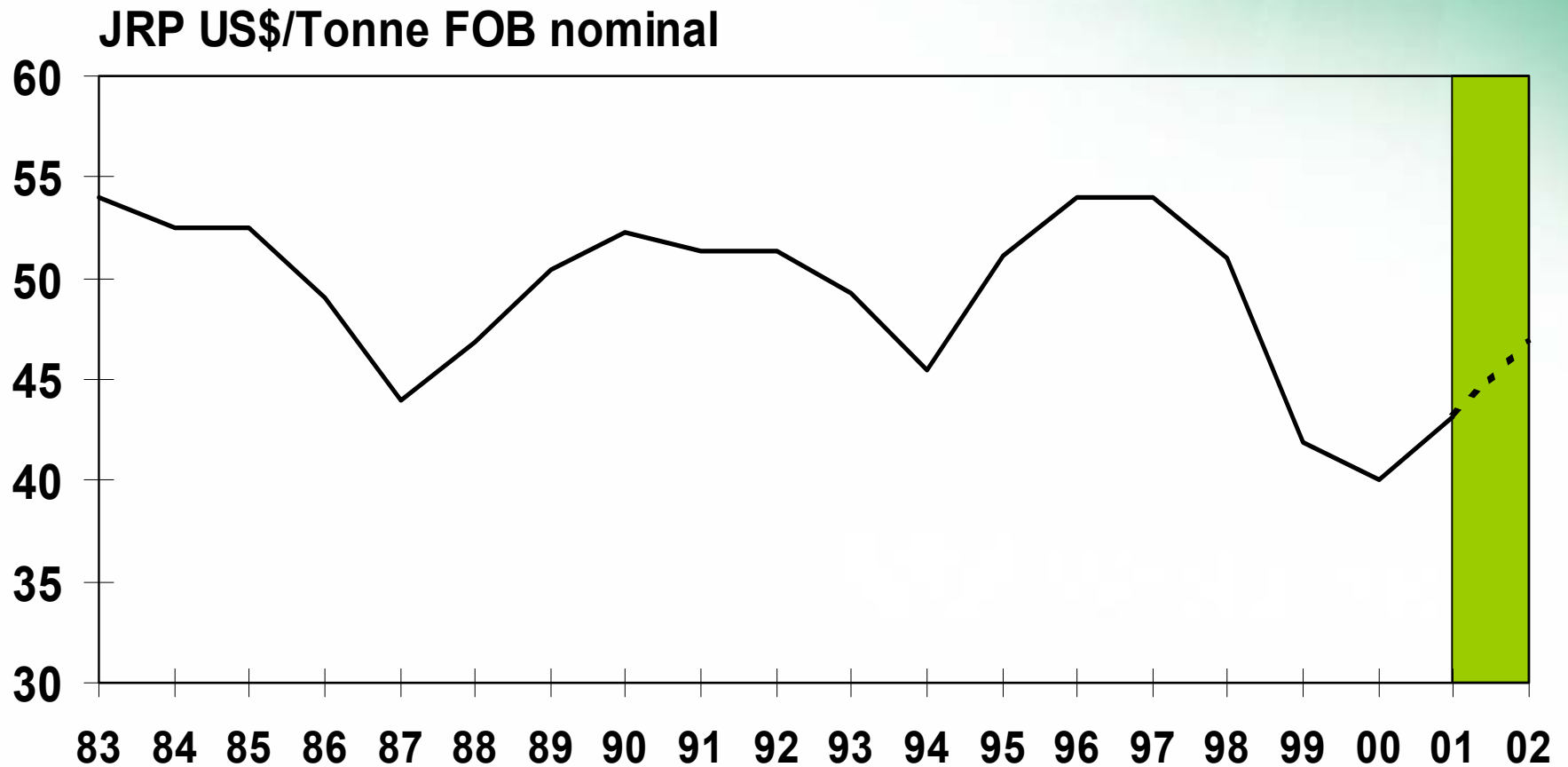
Coal

- Western Power delivery shortfall
- Coking coal demand and prices firm
- Weak thermal markets

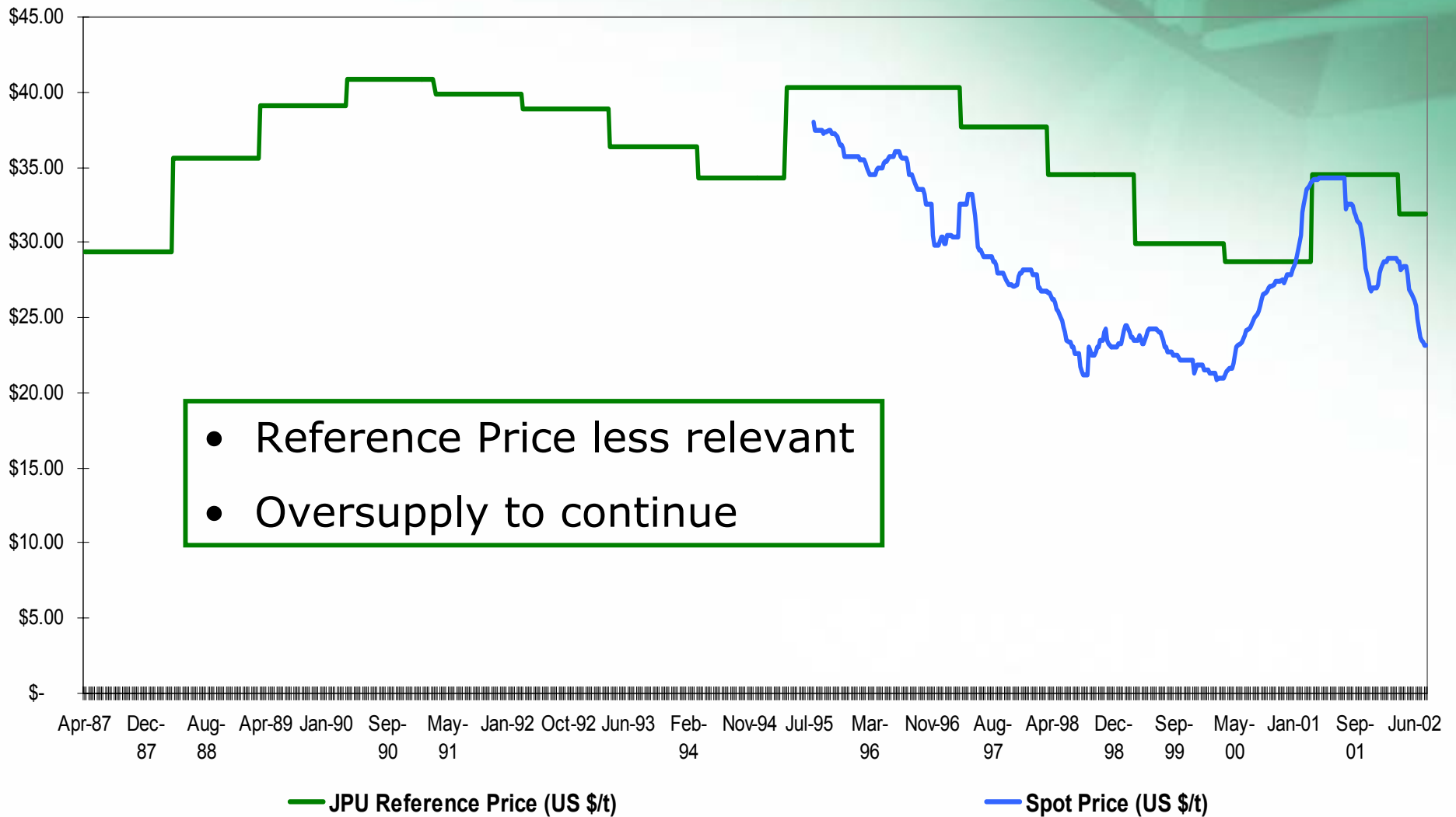
LPG Prices Saudi CP



Hard Coking Coal Prices Japan Benchmark

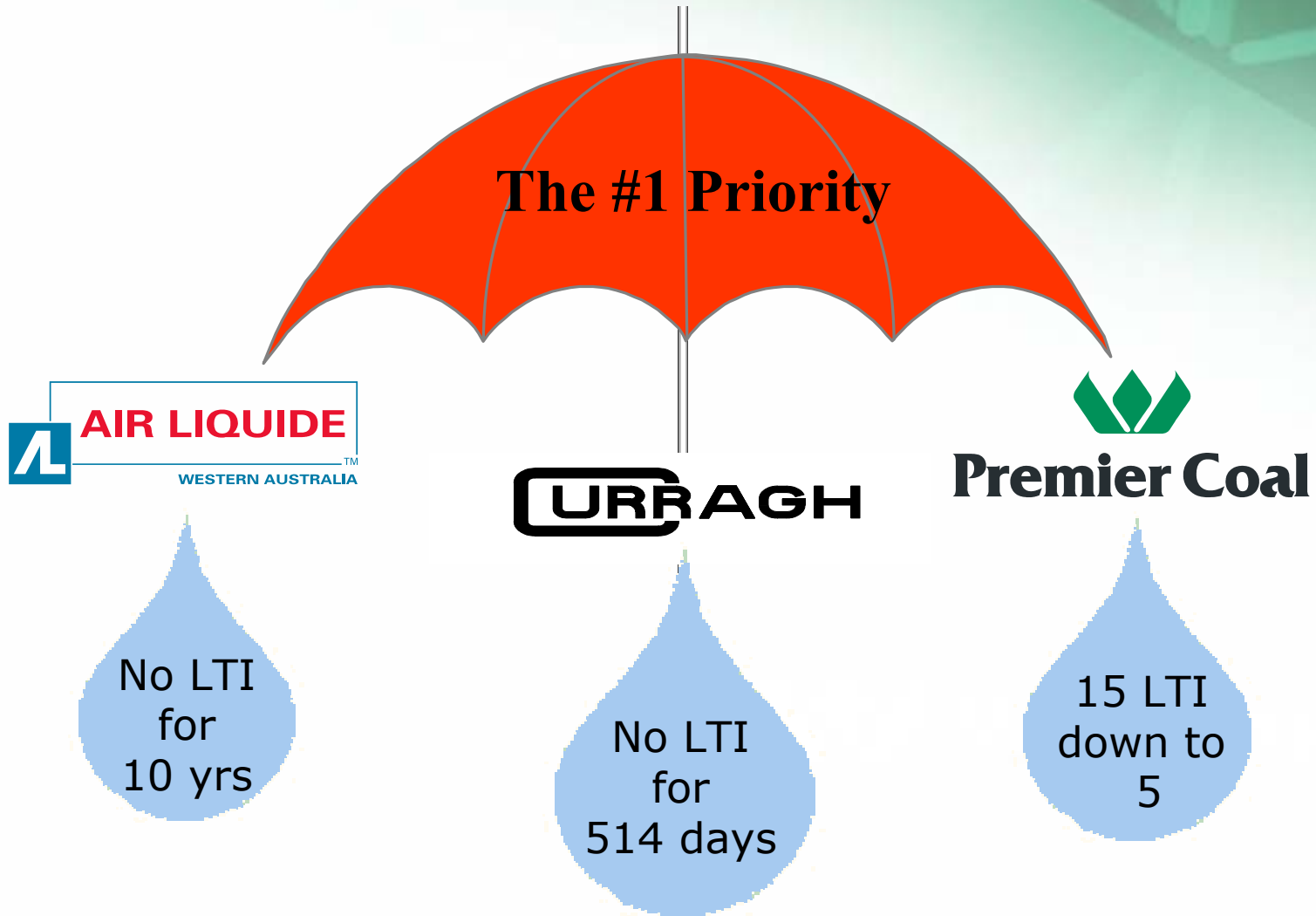


Thermal Coal Prices



Source: Barlow Jonker

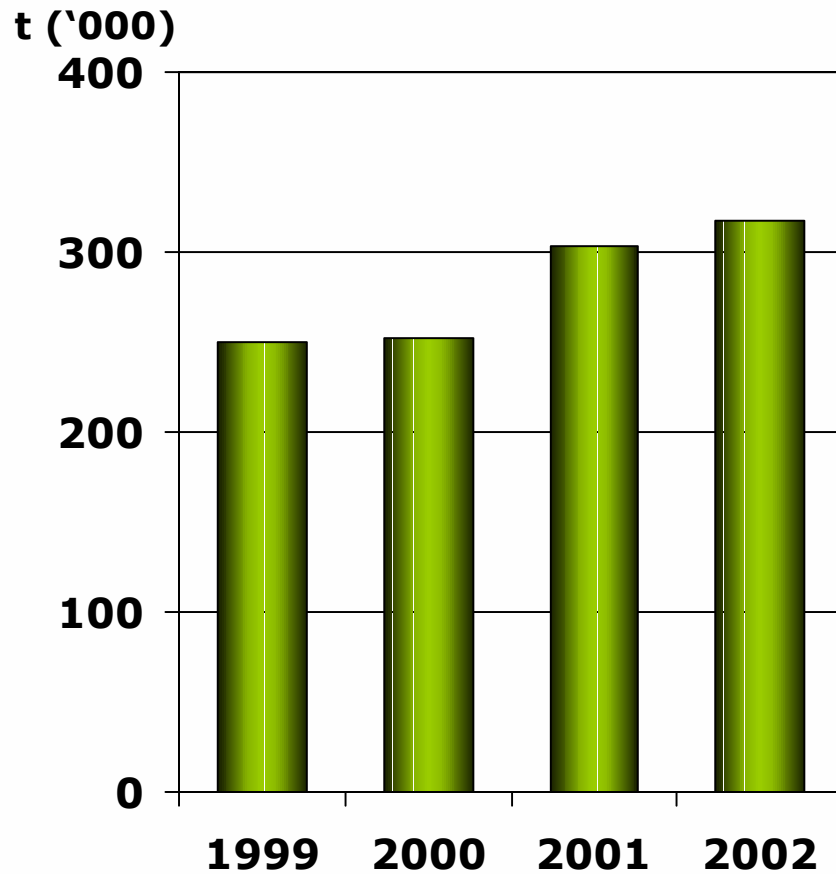
Health and Safety



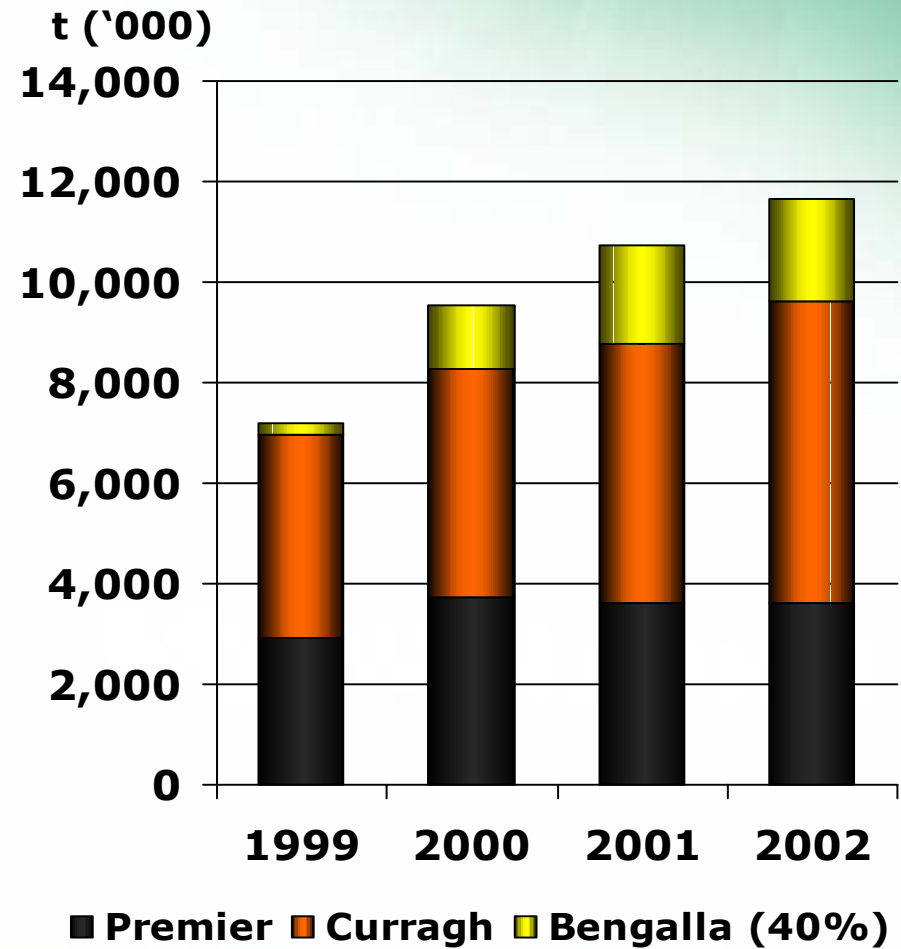
LTI = Lost Time Injury

Production

W LPG



Coal

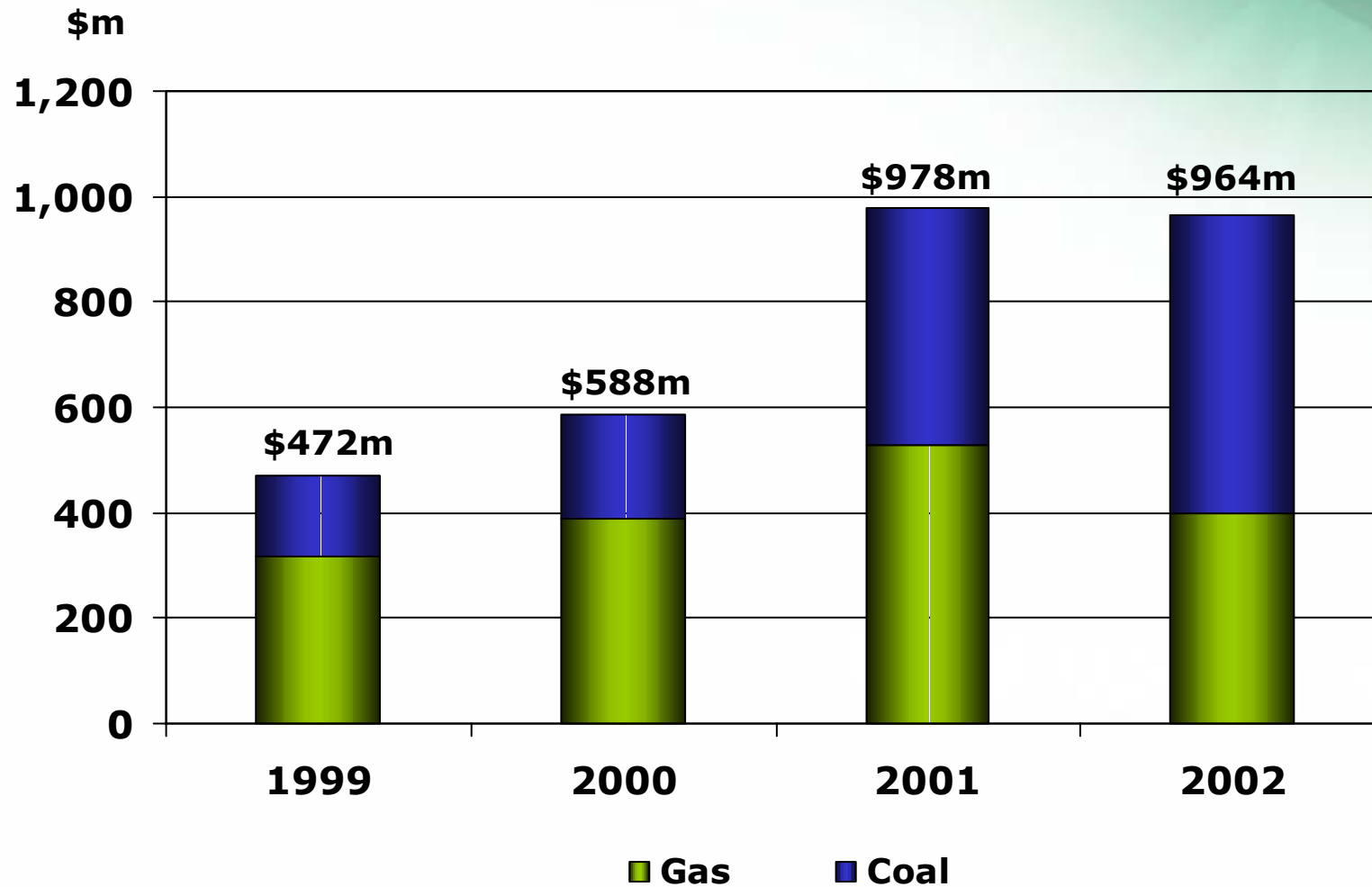


Sales Volumes 2002 versus 2001

➤ Kleenheat Gas ⁽¹⁾	↓	10%
➤ Wesfarmers LPG		0%
➤ Air Liquide ⁽²⁾	↑	15%
➤ Premier		0%
➤ Curragh	↑	21%
➤ Bengalla	↓	4%

(1) Adjusted for Unigas (2) Pipeline Sales

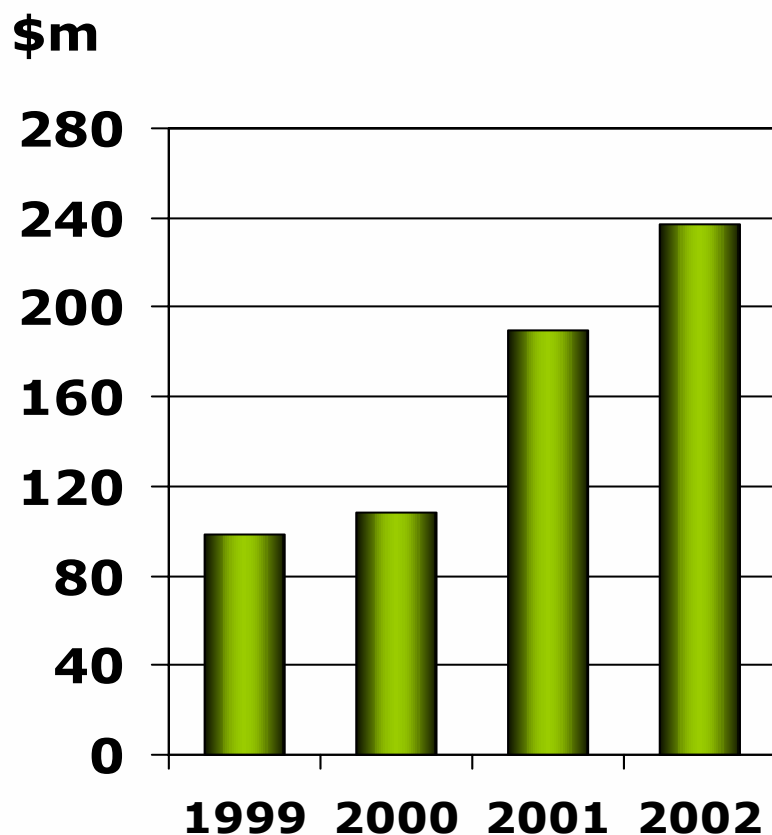
Profitable Growth Revenues



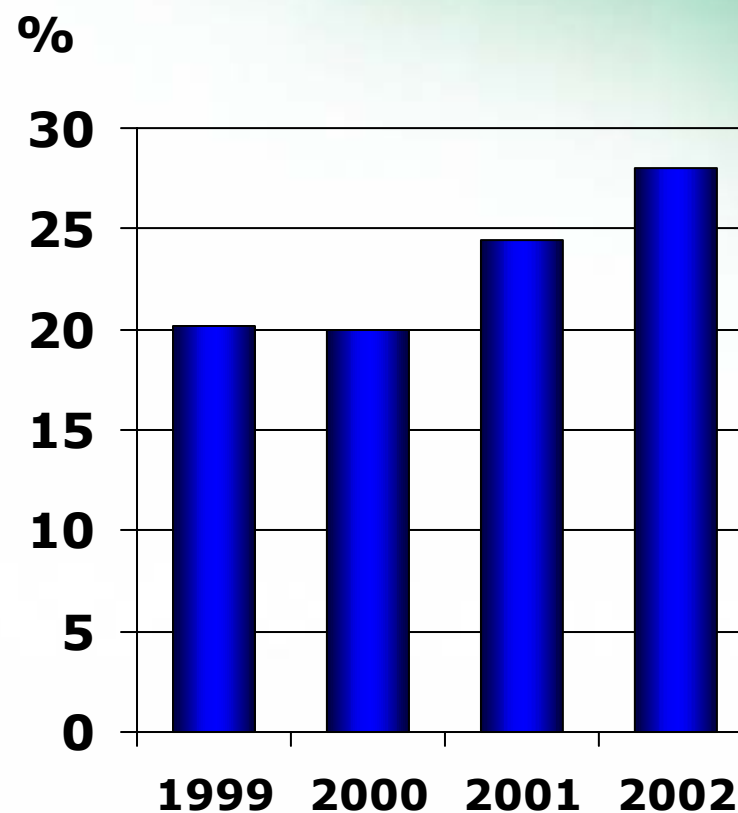
Profitable Growth

Financial Performance

EBIT



ROC



Energy Developments

- Unigas, Bangladesh sales start
- LPG plant debottleneck
 - 350,000 TPA capacity
- ALWA HIs melt supply discussions
- Statewest Power Acquisition

Energy Developments (cont.)

- Premier / WPC progress on coal shortfall
- Curragh upgrade and expansion
- Girrah coal deposit evaluation
 - Potential 4 mtpa ROM coal for 15 years

Energy Issues

- LPG prices and demand
 - Prices up 5 – 10%
- Coal volumes and prices
 - Export sales increase
- Exchange rates
 - 2002/03 export sales >80% hedged
- Premier restructuring
 - -500,000 tonnes, 64 redundancies
- Project opportunities

Rural Operations & Insurance

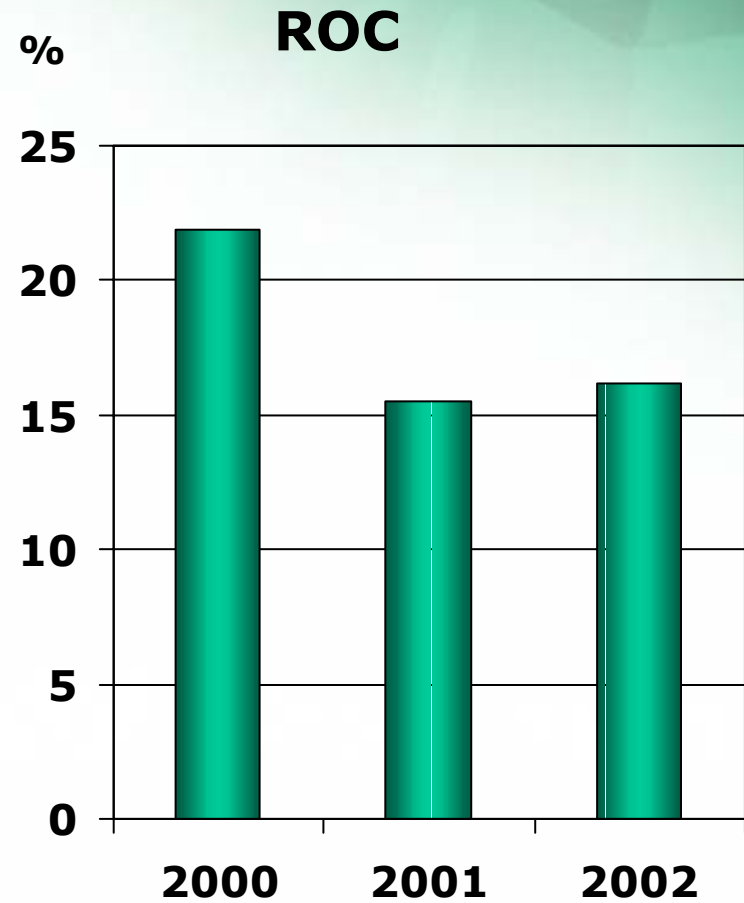
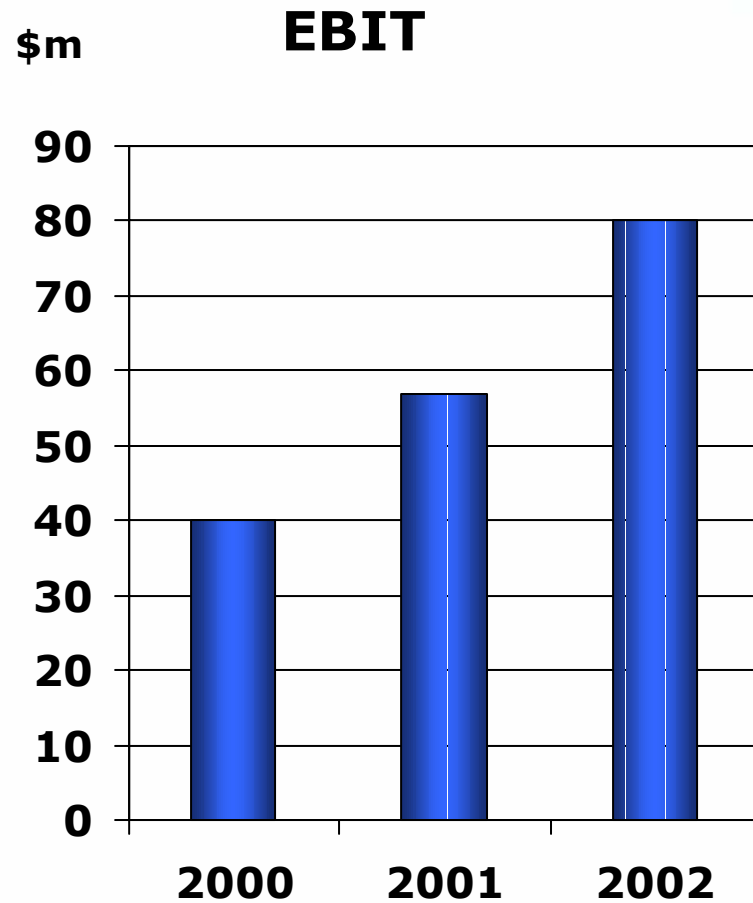
Mark Allison



Wesfarmers



Financial Performance



Rural Operations By Activity - 2002

➤ Merchandise and Fertiliser revenue	↑	33%
➤ Livestock Agency revenue	↑	18%
➤ Wool Broking revenue	↓	19%
➤ Real Estate revenue	↑	36%
➤ Insurance Premium income	↑	15%
➤ Size of Finance Loan Book	↑	44%

Wesfarmers Federation Insurance

- New business up by 30%
- Strong earnings growth and sound expense management offset higher crop claims

Landmark Merger Progress

- Branch rationalisation on plan (31 of 39)
- Merchandise logistics & procurement on plan
- Centralised IT systems

Landmark Merger Progress (cont.)

- Major non-core asset sales completed
- Staff savings (reduced by 300)
- Wesfarmers Landmark re-branding on plan

Issues & Outlook 2003

- Dry market conditions
- Variable outlook for commodities
- Farmer terms of trade
- Tight management of costs & capital
- Focus on growth strategies

Industrial & Safety

Bob Denby



Wesfarmers

Financial Analysis

- EBIT: \$61.7m for 11 months
- ROC: 8.7%

Performance by Business Unit

Blackwoods

- Solid sales and EBITA result overall
- Northern & Southern strong

Motion Industries

- Big improvement off low base

Performance by Business Unit (cont.)

Australian Safety

- Combined Protector & Alsafe
- Good sales & EBITA growth

New Zealand

- NZ Safety, Protector NZ, Packaging House and Blackwoods NZ
- Strong sales
- All businesses exceeded budget EBITA

Key Factors Impacting Performance

- Wesfarmers Industrial & Safety formed 1 August 2001 - new management team and structure
- Strong revenue contribution from mining sector
- Manufacturing sector improved during second half 2001/02
- Continued growth in safety products
- Operation Deliver successfully rolled out within Blackwoods

Key Factors Impacting Performance (cont.)

- Continued emphasis on development of strategic alliances with key suppliers and customers
- Continued rollout of E-business solutions to supplier and customer base
- Consolidation to two ERP computer platforms
- Formation of Wesfarmers Industrial & Safety Support Services

Wesfarmers Industrial & Safety Organisation Structure Changes

- Successful integration of Atkins Carlyle business into Blackwoods
- Successful integration of Protector NZ
- Alsafe Safety and Protector Australia combined into a single business unit
- Sale of Metals distribution business in progress

2003 Outlook

- Positive outlook for mining and transport sectors
- Major infrastructure projects commencement
- Continue to refine distribution network
- Emphasis on IT to enhance Wesfarmers Industrial & Safety's service offering, including B2B opportunities

Hardware

Peter Davis



Wesfarmers

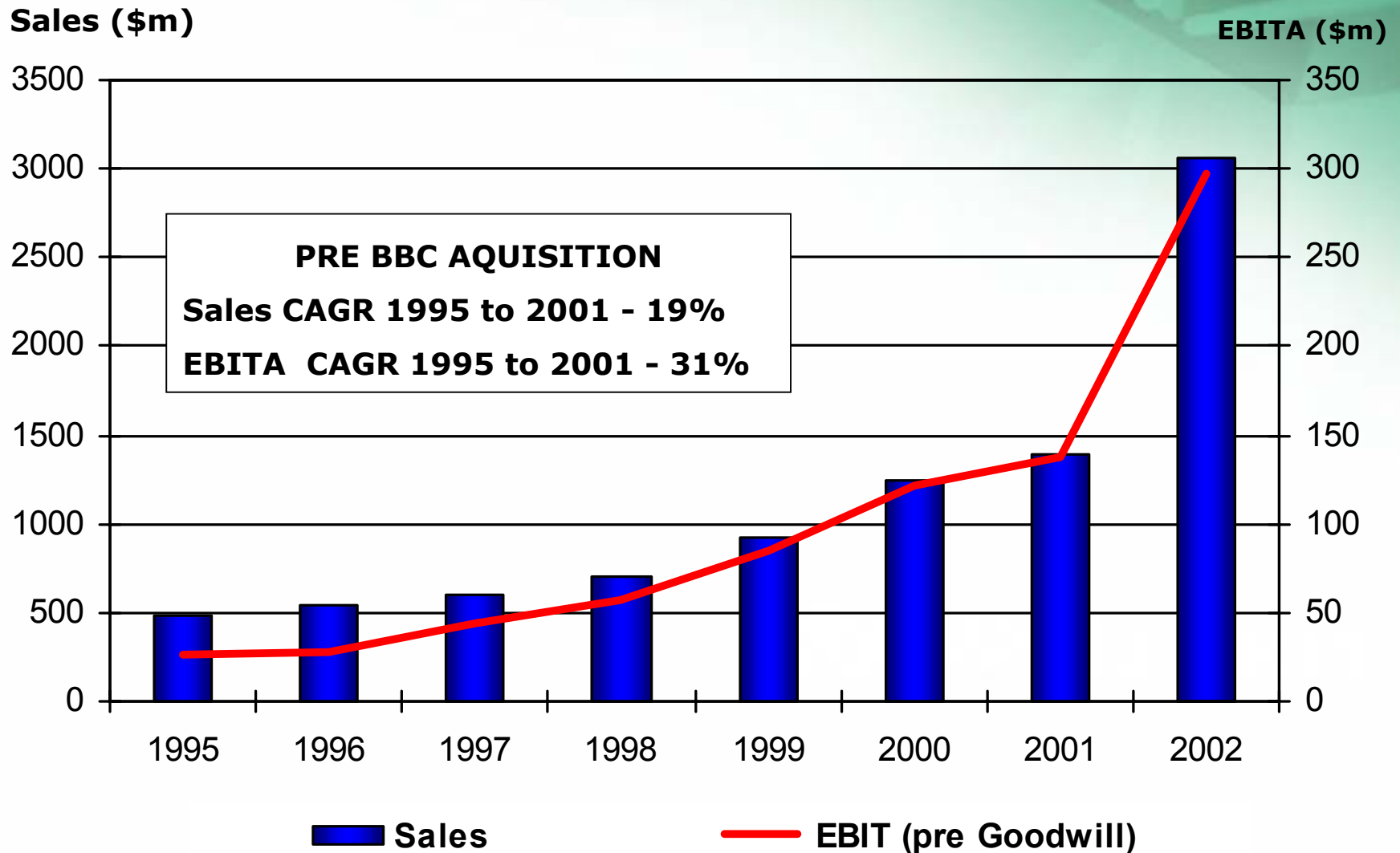
History

- Traditionally a Western Australian business
- 1990 Acquired ALCO Handyman & WA Salvage
- 1993 Acquired McEwans - Vic & SA
- 1994 Commenced rollout of warehouse stores
- 2001 Acquired BBC Hardware - NSW, Qld & NZ

History (cont.)

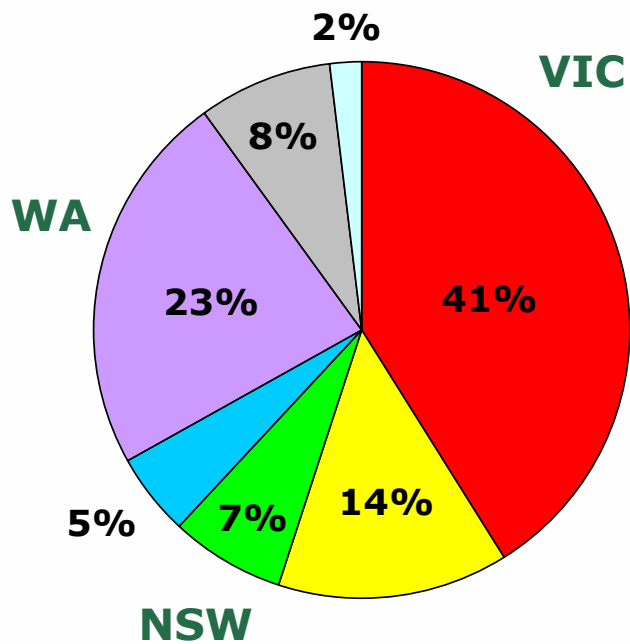
- Strong performance culture in business
- Best merchandising and marketing skills
- Proven warehouse formula
- Store layout and development capabilities
- Effective recruitment and training programs
- Employer of choice within the industry
- Strong growth in sales and profits

Sales & EBITA history

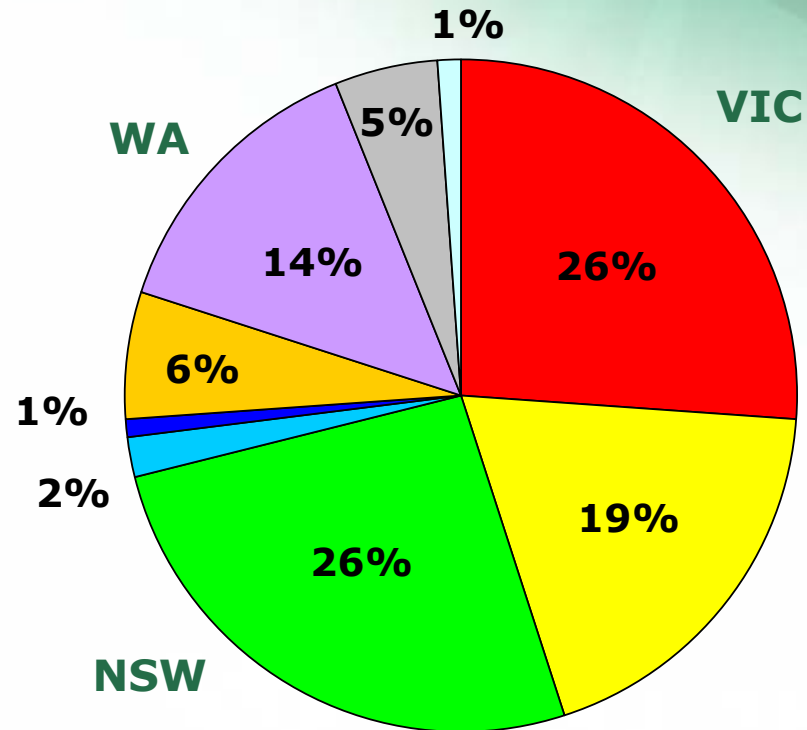


Sales split by region

2000/01 - \$1.4b



2001/02 - \$3.1b



Sales

- Sales \$3.1 billion
- 14.7% increase across the combined network
- Increase from
 - a solid store on store growth
 - new store openings
 - less store closures

Sales (cont.)

- Australian sales grew at 15.1%
- New Zealand slower at 5.7%
- Retail sales up 17.5% on last year
 - 76.5% of total sales (last year 86.9%)
- Trade sales up 9% on last year

Note – Growth is on a full year versus full year basis across the whole network including BBC

Sales (cont.)

- Warehouses account for >75% of sales
- Store on store growth averaged 11%
- Bunnings stores averaged 12.4% growth
- BBC & Hardwarehouses lower at 9.6%
- BBC average growth increased each quarter since the acquisition

EBIT/ROC

- All regions above budget except for NSW and Tasmania
- EBIT/sales ratio constant despite much lower BBC ratio at acquisition
- WA Salvage below budget
- Return on capital (before goodwill) remained at high level

Store Numbers

	Warehouses	Traditionals	WA Salvage	Total Stores
Locations trading at 30 June 01	47	22	17	86
Add: Acquired from BBC	60	120	0	180
Add: Opened during the year	7	0	2	9
Less: Closed during the year	(3)	(28)	(1)	(32)
Locations trading at 30 June 02	111	114	18	243

Integration

- Integration basically complete
- Rebranding
 - One brand per region from November 01
 - All Australian stores rebranded Bunnings this year
 - NZ warehouses only this year

Integration (cont.)

➤ Merchandising

- Initial changes for temporary branding completed last October
- Major change this year to support Bunnings brand
 - Range
 - Intensity

Integration (cont.)

- Integration of support activities completed
- New trade strategy developed
- Bunnings back office systems in all Australian stores
- Review of non core operations completed

Outlook

- Continuing growth in profit
 - Strong store on store sales increase
 - Closure non performing stores
 - 8 to 12 new warehouses per annum
- Introduction of Bunnings service culture throughout the BBC network
- Review of overhead structures

Outlook (cont.)

- Continued focus on technology
 - Improving operating efficiency
 - Store administration
 - Trade support systems
 - Supply chain

Fertilisers & Chemicals

John Gillam



Wesfarmers

Performance Summary

		2001	2002	Δ
Chemicals				
Sales volumes	(t'000)	394	412	+18
Revenue	(\$m)	153	171	+18
Fertilisers				
Sales volumes	(t'000)	938	1,038	+100
Revenue	(\$m)	285	292	+7
Company				
EBIT	(\$m)	52.6	73.3	+20.7
ROC	(%)	10.4	15.1	+4.7

Chemicals

Key Influences

- Strong resource sector conditions
- Good plant performance
- Growth in new product stream for AN
- Improved sodium cyanide margins
 - Lower caustic costs, firmer selling prices
- QNP reliability problems

Chemicals Outcomes

- Ammonia volumes 14% higher
- AN volumes 26% higher
- Above budget sodium cyanide earnings
- Overall contribution increased by 53%
- Commissioning new sodium cyanide solids plant

Fertilisers

Key Influences

- Market focused strategies
- Cost base improvements
- Competitive domestic pricing
- Opportunistic eastern Australian sales
- Solid 2001 harvest
- Generally favourable commodity pricing
- Difficult 2002 seasonal conditions

Fertilisers

Outcomes

- 11% increase in overall sales volumes
 - WA volumes up by 4%
- Lower average unit revenue
- Higher discounts and rebates
- Slight decline in gross margins
- Overall contribution increased by 5%

Outlook

- Firm demand for ammonia and AN
- Improving sodium cyanide conditions
 - Solid sodium cyanide export sales
- Difficult conditions may restrict fertiliser volumes
- Increased reach from stronger fertiliser offer
- Reviewing ammonia / AN expansion opportunities

Michael Chaney



Wesfarmers

2003 Outlook

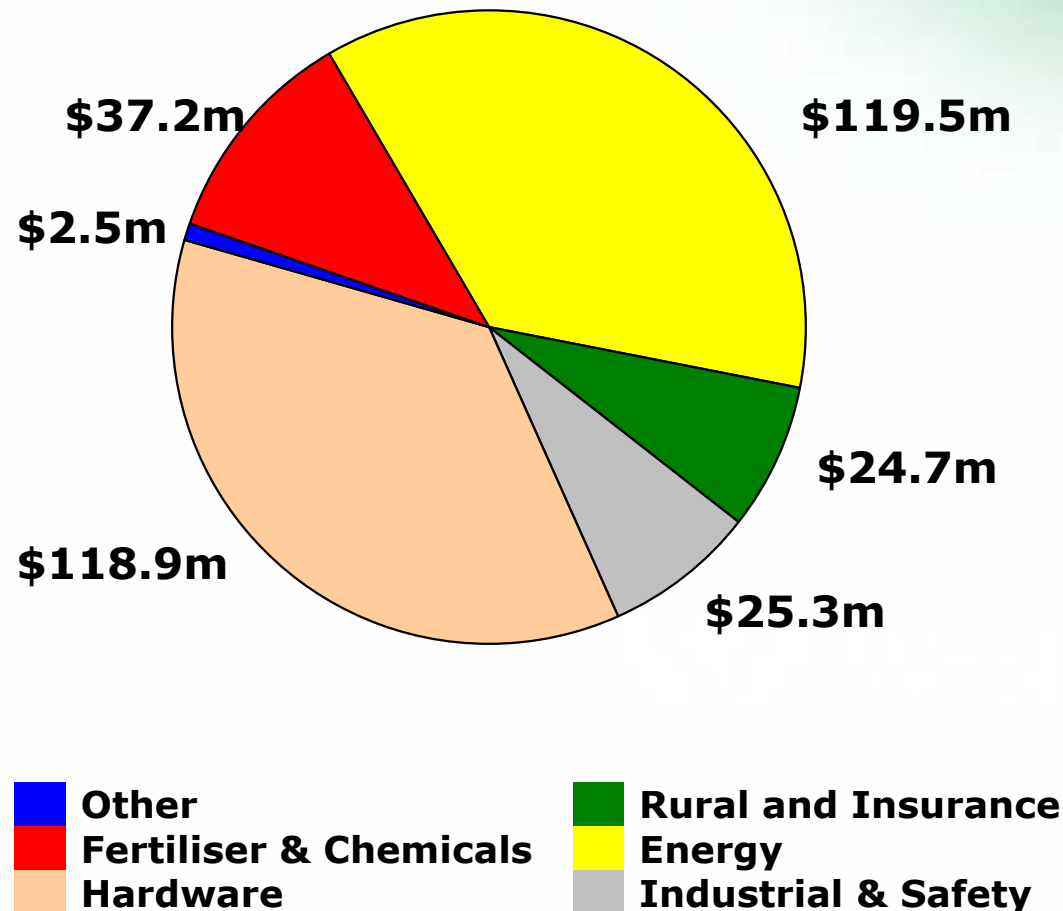
- Overall positive outlook
- Continued strong revenue and earnings growth in Hardware
- Coal and gas earnings growth subject to international price trends
- Rural division – drier seasonal conditions, focus on managing costs and achieving scale benefits

2003 Outlook (cont.)

- Improving trading conditions for Industrial and Safety businesses
- Wider fertiliser range and increased profits from chemicals business
- Improved contribution from ARG
- Continued scale down of the Sotico operations
- Additional superannuation costs of \$15 million

Capital Expenditure Programme 2003 Forecast

Total \$328.1m



Questions



Wesfarmers

www.wesfarmers.com.au



Wesfarmers